

Message Text

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16

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 EA-06 FRB-03 INR-07 NEA-09 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 STR-01 L-02

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R 250634Z MAR 75

FM AMEMBASSY HELSINKI
TO SECSTATE WASHDC 8452
INFO USMISSION GENEVA
USDEL MTN GENEVA
USMISSION EC BRUSSELS
USMISSION OECD PARIS
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM
AMEMBASSY LONDON
AMEMBASSY BONN
AMEMBASSY MOSCOW

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E.O. 11652: N/A

TAGS: ECON, ETRD, EEWT, GATT, COMECON, XH, FI

SUBJECT: FINNISH IMPORT DEPOSIT SCHEME BECOMES EFFECTIVE

REF: A) HELSINKI 639; B) STATE 063716

1. SUMMARY. IMPORT DEPOSIT LAW ENACTED BY PARLIAMENT
MARCH 22. DECREE ANNOUNCING LIST OF IMPORTED GOODS REQUIRING
IMPORT DEPOSITS AND RATE OF DEPOSIT HAS BEEN PUBLISHED. ABOUT
HALF BY VALUE OF FINNISH IMPORTS WILL BE COVERED AND AVERAGE
RATE OF DEPOSIT REQUIRED IS ABOUT 25 PERCENT, TO BE ON DEPOSIT
FOR SIX MONTHS. RELATED RESOLUTION DEMANDED BY SKDL WHICH MAY
LEAD TO DISCRIMINATION IN FAVOR OF CEMA COUNTRIES WAS ALSO
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PASSED. END SUMMARY

2. IMPORT DEPOSIT ACT WAS PASSED BY PARLIAMENT IN EARLY HOURS OF MARCH 22 AND WAS PROMULGATED SAME DAY. IMPORT DEPOSIT SCHEME BECAME EFFECTIVE MARCH 24, AT WHICH TIME TEMPORARY IMPORT CHARGE OF 15 PERCENT WAS RESCINDED. GOVERNMENT ALSO ISSUED ON MARCH 22 A DECREE ANNOUNCING PRODUCTS FALLING UNDER IMPORT DEPOSIT SCHEME AND RATES OF DEPOSIT FOR EACH PRODUCT. DECREE WILL BE IN EFFECT FOR 12 MONTHS.

3. PERIOD WHICH DEPOSITS WILL BE HELD BY BANK OF FINLAND, WITHOUT PAYMENT OF INTEREST, IS SIX MONTHS. DEPOSIT RATES RANGE FROM 5 TO 30 PERCENT OF IMPORT PRICES OF THE IMPORTED GOODS. ACCORDING TO EARLY ESTIMATES, SOME 50 PERCENT BY VALUE OF FINLAND'S IMPORTS WILL BE SUBJECT TO PAYMENT OF DEPOSITS, WHICH WILL AVERAGE ABOUT 25 PERCENT. MOST CONSUMER GOODS WILL REQUIRE 30 PERCENT DEPOSIT. MANY RAW MATERIALS, MACHINERY AND OTHER INVESTMENT GOODS REQUIRE DEPOSITS ALTHOUGH AT LESSER RATE AND INTEREST GROUPS ARE ALREADY DEMANDING DELETIONS FROM DEPOSIT LIST.

4. GOODS WHICH IMPORTER CAN PROVE WILL BE USED TO PRODUCE FOR EXPORT WILL BE EXEMPTED FROM IMPORT DEPOSIT SCHEME. CERTAIN OTHER IMPORTS, SUCH AS NEGLIGIBLE VALUE IMPORTS, SAMPLES, SUPPLIES FOR SHIPBUILDING INDUSTRY, INHERITANCES RECEIVED FROM ABROAD, HOUSEHOLD GOODS AND LUGGAGE OF RETURNING RESIDENTS, ARE ALSO EXEMPTED.

5. FOREIGN MINISTRY HAS SUPPLIED TEXT OF IMPORT DEPOSIT ACT AND COPIES OF LIST OF PRODUCTS. THEY ARE BEING AIR-POUCHED. TEXT OF RESOLUTION WHICH MIGHT RESULT IN DISCRIMINATION IN FAVOR OF CEMA COUNTRIES (REFTEL A), WHICH WAS ALSO PASSED ON MARCH 22 BY PARLIAMENT AT INSISTENCE OF SKDL, HAS NOT YET BEEN PROVIDED. ECON/COMMERCIAL COUNSELOR WILL SEEK EXPLANATION OF IMPLICATIONS BY REF. B ON MARCH 25 (EARLIEST DATE AN APPROPRIATE FOREIGN MINISTRY OFFICER IS AVAILABLE.)
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Message Attributes

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Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Margaret P. Grafeld
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